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**BACKGROUND
ON
U.S.
AGRICULTURE**



Background on—

U.S.

AGRICULTURE

American agriculture has advanced more in the past 50 years than in all the prior years of our history. Modern farming and ranching, combined with a progressive system of marketing, processing, and merchandising, provide:

- Abundant, wholesome food when, where, and in the forms we want it.
- Farm products with new qualities for home and industry.

The foundation for continuing agricultural advances, which reach from farm to market to home or industry, is research and the hard work and ingenuity of farmers and ranchers.

Research by Government and industry is constantly improving plants and animals, providing better management of soil and water, finding new uses for farm products, and devising new and better methods of marketing, transporting, storing, and merchandising farm products. Educational services quickly carry the new knowledge to farmers and others who put it to use.

What Is Modern Farming?

The Nation's Biggest Industry

Farming employs 7 million workers—more than the combined employment in transportation, public utilities, the steel industry, and the automobile industry.

Agriculture's assets total \$214 billion, equal to:

More than $\frac{1}{2}$ of the value of current assets of all corporations in the United States, or

About $\frac{1}{3}$ of the market value of all corporation stocks on the New York Stock Exchange.

The value of agriculture's production assets represents around \$23,000 for each farm employee.

3.7 Million Producers

This biggest of the Nation's industries is composed of 3.7 million independent producers. That's the number of farms shown in the 1959 Census of Agriculture. In 1959:

1,638,000 farms (44 percent of all farms) sold less than \$2,500 worth of farm products.

617,000 (17 percent) sold farm products worth \$2,500 to \$4,999.

653,000 (18 percent) sold farm products worth \$5,000 to \$9,999.

794,000 (21 percent) sold farm products worth more than \$10,000.

About 100,000 farms in 1959 had sales of farm products totaling more than \$40,000.

A Good Customer

The farmer spends \$27 to \$28 billion a year for goods and services to produce crops and livestock; another \$15 billion a year for the same things that city people buy—food, clothing, drugs, furniture, appliances, and other products and services.

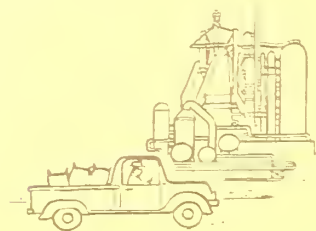
Each year the farmer's purchases include:

\$2.8 billion in new farm tractors and other motor vehicles, machinery, and equipment. (About \$1 billion was spent in 1959 by the primary iron and steel industry for equipment and new plants.)

\$3.2 billion for fuel, lubricants and maintenance of machinery and motor vehicles. Farming uses more petroleum than any other single industry.

\$1.5 billion for fertilizer and lime.

Products containing 320 million pounds of rubber—about 9 percent of the total used in the United States, or enough to put tires on nearly 6 million automobiles.



28 billion kw.-hrs. of electricity—or more than 4 percent of the Nation's total, or more than is needed annually by Baltimore, Chicago, Boston, Detroit, Houston, and Washington, D.C.

5 million tons of steel in the form of farm machinery, trucks, cars, fencing, and building materials. This is one-third as much steel as the automotive industry uses.

A Creator of Employment

4 out of every 10 jobs in private employment are related to agriculture.

10 million people have jobs storing, transporting, processing, and merchandising the products of agriculture.

6 million people have jobs providing the supplies farmers use.

Here are a few examples from the 1958 Census of Manufactures:

Meat and poultry, including meatpacking, prepared meats, and poultry dressing plants—308,500 employees and a payroll of nearly \$1.5 billion.

Dairy, including fluid milk, concentrated and dried milk, natural cheese, creamery butter, ice cream, and special dairy products—292,600 employees and a payroll of more than \$1.3 billion.

Baking, including bread and related products and biscuits and crackers—299,000 employees and a payroll of more than \$1.3 billion.

Fruits and vegetables, canned, frozen, and processed as pickles and sauces—172,400 employees and a payroll of \$591 million.

Cotton broadwoven fabrics industry—242,500 employees and a payroll of \$722 million.

An Efficient, Progressive Industry

One hour of farm labor produces more than 5 times as much food and other crops as it did in 1919-21. Crop production is 70 percent higher per acre. Output per breeding animal is 90 percent greater.

Productivity of the American farm worker in the 1950's increased by 5.1 percent a year. Out-

put per man-hour in nonagricultural industry increased by 2.7 percent a year.

One farm worker produces food, fiber, and other farm commodities for himself and 28 others.

A Taxpayer

In 1962:

Farm real estate taxes totaled \$1½ billion.

Tax on personal property on farms was another one-third of a billion dollars.

Federal and State income taxes paid by the farm population amounted to \$1.5 billion.

Net taxes paid by farmers on motor fuels were \$375 million

Motor vehicle license fees and taxes paid by farmers were about \$175 million.

Sales taxes totaled about \$300 million.



Food Supplier to the World

The United States is the world's largest exporter of agricultural products.

Sixty million acres of our 300 million harvested acres produce for export. The land producing for export represents about the same acreage of cropland as that harvested in Nebraska, Iowa, and Kansas.

\$5.1 billion in farm products were exported in 1962.

Abundance Works for Peace

American agricultural abundance is a powerful force for world peace. Our food and other farm products are helping to relieve hunger and to promote economic growth in the newly developing countries of the world. Our wheat is providing an additional 5 billion loaves of bread a year for the people of India.

We accept foreign currencies from countries that need our farm products but are short of dollar exchange. We also barter or trade our agricultural products for strategic defense materials—more than \$1.5 billion worth since July 1, 1954.



Farming Is Food

Each of us in 1962 consumed these and other products of farm and ranch:

163 pounds of beef, veal, pork, lamb, and mutton.

37 pounds of chicken and turkey.

193 pounds of fruits (fresh fruit equivalent).

230 pounds of vegetables (fresh vegetable equivalent).

640 pounds of dairy products (whole milk equivalent).

111 pounds of potatoes and 7 pounds of sweetpotatoes (fresh equivalent).

We can choose from as many as 6,000 different foods when we go to market—fresh, canned, frozen, concentrated, dehydrated, ready-mixed, ready-to-serve, or in heat-and-serve form.

Clothing

In 1962, we used:

4.2 billion pounds of cotton, or more than 23 pounds per person. That's the equivalent of about 24 house dresses, or 36 dress shirts, for every man, woman, and child in the Nation.

427 million pounds of apparel and carpet wool, more than 2 pounds per person.

And research has given these natural fibers new qualities. Specially treated cotton resists everything from wrinkles to fire. Wool can be treated to keep it from shrinking when it is washed.

Shelter

It takes 1 acre of healthy forest 20 years to grow the lumber for a 5-room frame house.

Farmers and other small woodland owners control 54 percent of the Nation's commercial forest; 3 out of 4 forest owners are farmers.

And Other Products

Paper. About 400 pounds of paper per person is used each year. This requires the net annual wood growth from about $\frac{3}{4}$ acre of commercial forest. A large New York paper uses the equivalent of the net annual growth from 6,000 acres of commercial forest land for its Sunday issue, or the net annual growth from 500,000 acres every year.

And the day of the "wood-burning rocket" may arrive. Nitrocellulose, derived mainly from wood pulp, is a major ingredient of some solid fuel propellants of rockets.

What Does the Farmer Receive?

For Food

38 cents of each \$1 spent for food.

2.7 cents for the corn in a 27-cent box of cornflakes.

64 cents of each \$1 spent for choice beef.

2.6 cents for the wheat in a 21-cent loaf of white bread.

About 11 cents from a 25-cent quart of milk.

For Clothing

About 28 cents for the cotton in a man's \$4 business shirt.

For Shelter

About 25 cents stumpage for each \$1 worth of pine lumber produced from his woods.

Income From His Labor and Capital

Farm people in 1962 received:

\$35.9 billion in sales of crops and livestock, about \$10,000 per farm; with a net income for farm operators of \$12.6 billion from farming, \$3,400 per farm.

\$1,436 of personal income per capita—\$940 from farm sources and \$496 from nonfarm sources. (Per capita personal income of nonfarm people was \$2,445 from all sources.)

\$1.05 cents an hour income for farmwork. By contrast, 1 hour's work in a factory averaged \$2.39, and hourly earnings in food marketing averaged \$2.10.

What Do We Spend for Food?

From Our Income

19 percent of our disposable income went for food in 1962. If we had bought in 1962 the same

kinds and quantities of food we ate in 1935-39, we would have spent only 14 percent of our 1962 income.

We spent 23 percent of our disposable income for food in 1932 and 20 percent in 1942. In 1947, food took 27 percent of our take-home pay.

In Terms of an Hour's Work

1 hour's work in a factory buys more food today than it did 20 or 30 years ago. Pay for 1 hour's factory labor would buy:

Round steak: 2.2 pounds in 1962; 2 pounds in 1942; 1.5 pounds in 1932; *or*

Bacon: 3.4 pounds in 1962; 2.2 pounds in 1942; 1.8 pounds in 1932; *or*

Milk: 9.2 quarts in 1962; 5.7 quarts in 1942; 4.1 quarts in 1932; *or*

Oranges: 3.8 dozen in 1962; 2.4 dozen in 1942; 1.5 dozen in 1932.

As Compared With Other Products

Food costs have risen less since 1947-49 than most other consumer items in the cost-of-living index. For all items on the list, the increase in cost to 1962 was 29 percent. For all food, the increase was 22 percent. For rent, it was 45 percent, and for medical care, 67 percent.

The farmer gets none of the increase in cost for the food he produces. In fact, he receives 12 percent less for the farm food "market basket" than he did in 1947-49. This accounts for the fact that the cost of farm-grown food has risen only 14 percent, although processing and marketing costs have risen 40 percent.

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